

May 2021

## Initiation of Legislation for Director Identification Numbers

The Corporations (Director Identification Number) Data Standard 2021 (Instrument) requires that new and existing directors are to obtain Director Identification Numbers (**DINs**), which invokes an additional Pt 9.1A of the *Corporations Act 2001 (Cth)* (Act), and provides for director IDs and strict liability offences for failure to obtain a director ID.

The legislation consists of a new Pt 9.1A of the Corporations Act 2001, commencing on 4 April 2021. The data standard provides for the following:

- a) what information may be requested and collected for performance of the Registrar's functions and the exercise of its powers,
- b) how such information may be collected,
- c) how an application for a director ID is to be made,
- d) when information is to be provided to the Registrar,
- e) how the Registrar uses the information provided to authenticate, verify or validate details of an application,
- f) how information held by the Registrar is to be recorded and stored,
- g) correction of information held by the Registrar, and
- h) the manner and form of communication between the Registrar and persons providing information to the Registrar or seeking to access information held by the Registrar.

The explanatory document, the Amendment Act, paragraph 2.4, highlights Director Identification Numbers ("DINs") and their intent:

"The DIN will require all directors to confirm their identity and it will be a unique identifier for each person who consents to being a director. The person will keep that unique identifier permanently, even if they cease to be a director. It is not intended that a person's DIN will ever be re-issued to someone else or that one person will ever be issued with more than one DIN (except in limited circumstances such as when a record is corrupted). As such, the DIN will provide traceability of a director's relationships across companies, enabling better tracking of directors of failed companies and will prevent the use of fictitious identities. This will assist regulators and external administrators to investigate a director's involvement in what may be repeated unlawful activity including illegal phoenix activity."

Commencement of the legislation will now be followed by a period of testing of the DIN system. According to draft legislative instruments, directors will then have until 30 November 2022 to obtain a DIN. Directors of indigenous corporations will have a further 12 months.

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